



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

EDMUND G. BROWN JR. • GOVERNOR

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February 25, 2011

Honorable Bob Blumenfield, Chair
Conference Committee
State Capitol, Room 6026

Honorable Mark Leno, Vice Chair
Conference Committee
State Capitol, Room 5100

Dear Assemblymember Blumenfield and Senator Leno:

The Governor's Budget contains a vast and historic proposal to restructure and realign where and how many public safety programs are operated. The key goals of realignment are to move government programs closer to the people where local decision-makers can best tailor programs to meet their community needs, to eliminate duplication and to refocus state efforts on monitoring and program oversight.

Since January, the Administration has been engaged in a series of discussions with interested parties regarding the programs that would be moved closer to the people. These discussions have primarily been with county officials because they are directly affected and will assume direct responsibility for these realigned programs. In addition, the Governor's realignment proposal has been the subject of three legislative overview hearings and numerous subcommittee hearings.

Based on these discussions, the Governor is refining his proposal. In response to concerns of the public safety community, we have narrowed the definition of low-level offenders and parolees who will now be under the jurisdiction of the counties. In addition, in 2012-13, we begin to restore the \$80 million recently vetoed from the Child Welfare Services program base. Because of the changes in the public safety programs, we have added three additional programs to the list of programs realigned. These fit the same public safety standard as the remainder of the list.

Attached you will find the following documents: an outline of the programs identifying proposed changes; an updated chart showing the revised program costs compared to revenues; a revised set of assumptions for who is affected and the local costs associated with low-level offenders and parolees; and a list of crimes that will be exempted from the low-level offender proposal.

The accompanying proposed Constitutional Amendment will be released Monday, February 28, 2011.

Most of the other important issues that have been raised by counties and other groups will be addressed during the spring process. The Governor is committed to the flexibilities counties need to operate these programs and the need for them to be an equal partner in determining the best way to operate these programs at the local level.

Please contact me at (916) 445-4141 if you have questions.

A handwritten signature in black ink that reads "Diane M. Cummins". The signature is fluid and cursive, with the first name "Diane" and last name "Cummins" clearly legible.

DIANE M. CUMMINS
Special Advisor to the Governor
State and Local Realignment

Attachment

cc: Conference Committee Conferees:
Honorable Felipe Fuentes
Honorable Diane Harkey
Honorable Jim Nielsen
Honorable Nancy Skinner
Honorable Bill Emmerson
Honorable Bob Huff
Honorable Alan Lowenthal
Honorable Gloria Negrete McLeod

Realignment Proposal Changes Since January 10 Budget

Fire and Emergency Response Activities

- The January Budget proposed realigning \$250 million for fire protection of the lands where urban development has moved into the wildland areas to local government responsibility. The updated proposal will be limited to the realignment of \$52 million to the six local entities who have been providing fire protection services for CALFIRE.

Court Security

- The January Budget proposed realigning all of the costs associated with court security to the counties, a total of \$530 million. This amount included funds for county sheriffs, the two counties that employ marshals, and for courts that employ attendants and have perimeter security contracts. The updated proposal will provide \$485 million for security services provided by county sheriffs only; the remaining funds will be retained by the Judicial Branch for the costs noted above that remain in the courts' budget.

Local Jurisdiction of Lower-Level Offenders and Parole Violators

- The January Budget proposed realigning, on a prospective basis, offenders convicted of non-serious, non-violent, non-sex offenses, and without any previous convictions for such offenses, and all parole violators to local jurisdictions. Local jurisdictions would have received \$908.1 million once fully implemented in 2014-15 to manage this population. To address concerns raised by various law enforcement groups, the updated proposal will exclude certain crimes from realignment, change the proposed funding model to provide more resources for offenders that are sentenced for more than three years, and allow local jurisdictions to contract with the state for the full cost of housing any such offenders in a state facility. The updated proposal will also provide \$705.1 million once fully implemented in 2014-15 to counties to manage this population.

Realign Adult Parole

- The January Budget proposed realigning, on a prospective basis, all adult parolees to local jurisdictions and would have provided \$409.9 million once fully implemented in 2014-15 to manage this population. The updated proposal would only realign parolees convicted of a non-serious or non-violent crime, regardless of prior convictions. This would leave 3rd striker parolees, parolees with a current conviction for a serious or violent crime, or parolees who are classified as a High Risk Sex Offender, on state run parole. The updated proposal will provide \$183 million once fully implemented in 2014-15 to counties to manage this population.

Realign Remaining Juvenile Justice Programs

- The January Budget proposed realigning all remaining wards that are housed in state juvenile facilities to local jurisdictions, providing \$242 million to counties for this population. The updated proposal allows counties to contract with the state Division of Juvenile Justice to house these offenders, but the counties will either have to contract with the state for all of their violent youths or serve them all through a county program. In the future, the state will need to reassess its role in juvenile justice based on the number of wards the state is being asked to serve on a contractual basis and the overall cost effectiveness.

Mental Health Services

- AB 3632—The January Budget proposed realigning AB 3632 services to local jurisdictions, providing \$104 million to operate these services. The amount of realignment funding should have been \$200.9 million consistent with a review of actual county costs based on the current program. However, this program is coordinated by both the schools and the county mental health programs, and it is anticipated that some program cost controls can be implemented which reduce costs but still provide all educationally-required Individual Education Plan services. Consequently, the \$200.9 million is proposed to be reduced by \$50 million for a net total program cost of \$150.9 million.
- Existing Community Mental Health Programs—The January Budget proposed funding \$1.077 billion of existing 1991 realigned community mental health programs with 2011 realignment funds beginning in 2012-13. Under the revised proposal, these programs will be moved to 2011 realignment beginning in 2011-12. The purpose of the funding will not change, which is primarily for general community mental health programs, state hospital civil commitments, and Institutions for Mental Disease facilities.

The freed up resources in the 1991 Realignment will be used to fund an increased county sharing ratio for CalWORKs grants, which will increase from 2.5% to 40%.

Foster Care and Child Welfare Services

- The updated proposal now includes \$19 million beginning in 2011-12 associated with undoing the Governor's Budget proposal to reduce funding for Transitional Housing Program-Plus (THP-Plus) services. The cost of THP-Plus services for 18- and 19-year olds is estimated to be \$19 million. This reduction was proposed in light of the passage of Chapter 559, Statutes of 2010 (AB 12), which expands foster care to age 19 in 2011-12 and allows for the placement of non-minor foster youth in a transitional housing program similar to the THP-Plus model. However, since this program has proved successful in keeping former foster children off the street, the updated plan will restore this program with realignment funding.
- The updated proposal now includes \$40 million in 2012-13 and \$80 million annually beginning in 2013-14 associated with restoring funding for a veto in the Child Welfare Services program. Counties indicate that this has reduce funding for approximately 400 social workers and, as a result, counties have been unable to adequately staff child abuse hotlines, investigate allegations of child abuse, assist families to safely prevent the removal of children, and work with families to safely reunify children or find permanent homes for children who cannot be reunified.

The following programs were not included in the January realignment proposal, but have been added in order to fully allocate the estimated realignment revenues, and because they are public-safety related programs consistent with the original goals of the realignment proposal:

State Penalty Funds Subvened to Locals

- The updated proposal now includes the realignment of \$19.5 million for training for local custody staff and \$21 million for training of local law enforcement staff. Currently, the state subvenes its own penalty funds to local government for these purposes. This funding realignment will allow the state to use the penalty funds for costs of state programs.

Existing Juvenile Justice Realignment

- The updated proposal now includes the realignment of \$103.3 million of grant funding that is used to support the housing and supervision of certain juvenile offenders at the local level. This includes \$93.5 million for the Youthful Offender Block Grant implemented in 2007, and \$10 million (\$3.7 million in 2011-12) for the Juvenile Reentry Fund implemented in 2011.

Currently Funded Public Safety Mandates

- The updated proposal now includes the realignment of \$50.9 million that is currently funded as a state-reimbursable mandate for various law enforcement activities. These law enforcement mandates include those related to domestic violence arrest policies and victim assistance and treatment services, rape victim counseling, child abduction and recovery services, and assessments of inmates as sexually violent predators.

Realignment Funding - Revised Allocation Plan
(\$'s in Millions)

Program	2011-12	2012-13	2013-14	2014-15
Fire and Emergency Response Activities	\$52.0	\$52.0	\$52.0	\$52.0
Court Security	485.0	485.0	485.0	485.0
Vehicle License Fee Public Safety Programs	506.4	506.4	506.4	506.4
Local Jurisdiction of Lower-level Offenders and Parole Violators				
Local Costs	257.7	542.2	703.7	705.1
Reimbursement of State Costs	838.3	0.0	0.0	0.0
Realign Adult Parole				
Local Costs	140.4	282.4	250.1	183.0
Reimbursement of State Costs	280.8	0.0	0.0	0.0
Realign Remaining Juvenile Justice Programs	242.0	242.0	242.0	242.0
Mental Health Services				
EPSDT	0.0	636.9	636.9	636.9
Mental Health Managed Care	0.0	190.7	190.7	190.7
AB 3632 Services	0.0	150.9	150.9	150.9
Existing Community Mental Health Programs	1,077.0	1,077.0	1,077.0	1,077.0
Substance Abuse Treatment	184.0	184.0	184.0	184.0
Foster Care and Child Welfare Services	1,623.9	1,663.9	1,703.9	1,703.9
Adult Protective Services	55.0	55.0	55.0	55.0
State Penalty Funds Subvended to Locals	40.5	40.5	40.5	40.5
Existing Juvenile Justice Realignment	97.1	104.1	103.2	103.3
Currently Funded Public Safety Mandates	50.9	50.9	50.9	50.9
Growth*	0.0	239.1	460.8	888.4
Total	\$5,931.0	\$6,503.0	\$6,893.0	\$7,255.0
1% Sales Tax	4,549.0	4,913.0	5,254.0	5,567.0
0.5% VLF	1,382.0	1,590.0	1,639.0	1,688.0
Total Revenues	\$5,931.0	\$6,503.0	\$6,893.0	\$7,255.0

* - This amount will be subject to discussion and is intended to cover county costs and reimburse reasonable state costs.

Proposed Realignment -- Local Cost Summary & Assumption Statements

General Assumptions/Statements

- Reduction to CDCR's population is on a prospective basis. No offenders currently in prison will be transferred to local jurisdiction.
- Average Length of Stay for all Low Level Offenders is 24 months, which includes time on parole.
- Average Length of Stay for all Return-to-Custody Parole Violators is 4 months, where 3 months are served in CDCR and 1 month is served in county jail.

Local Jurisdiction for Parole Violators

Category	Local Costs			
	2011-12	2012-13	2013-14	2014-15
Jail Incarceration	80.7	87.5	87.5	87.5
Programs/Alternative Sanctions	7.3	8.0	8.0	8.0
Local Administration	8.8	9.6	9.6	9.6
Totals:	96.8	105.1	105.1	105.1
Local Parole Violator ADP	3,229	3,500	3,500	3,500

- Realigns the responsibility for all parole violations to local jurisdictions and requires the courts to make all revocation decisions.
- Assumes that local governments will handle this offender population in a different manner than CDCR by utilizing various lengths of flash incarceration stints and utilizing alternative custody/diversion programs, which will lower the average length of stay for these offenders.
- Assumes incarceration costs of \$25,000 per ADP, and assumes that the average length of stay is substantially reduced from 4 months down to no more than 30-days through the establishment of a length of stay cap. Flash incarceration periods of 14 days or less would not require court actions.
- Assumes treatment, alternative custody, and/or other programming costs of \$2,275 per ADP.
- Assumes local administrative overhead costs at 10 percent of total incarceration/program costs.

Local Jurisdiction for Specified Parolees

Category	Local Costs			
	2011-12	2012-13	2013-14	2014-15
Probation	77.4	155.6	137.8	100.8
Programs/Alternative Sanctions	50.3	101.2	89.6	65.5
Local Administration	12.8	25.7	22.7	16.6
Totals:	140.4	282.4	250.1	183.0
Local Parole ADP	22,100	44,463	39,367	28,800

- Realigns parolees convicted of a non-serious or non-violent crime, regardless of prior convictions, to local jurisdictions. This would leave 3rd striker parolees, parolees with a current conviction for a serious or violent crime, or parolees who are classified as a High Risk Sex Offender, on state run parole.
- Assumes Community Supervision costs of \$3,500 per ADP. This funding level is equivalent to the cost to supervise and monitor a parolee at the state level.
- Assumes treatment, alternative custody, and/or other programming costs of \$2,275 per ADP.
- Assumes local administrative overhead costs at 10 percent of total incarceration/program costs.

Proposed Realignment -- Local Cost Summary & Assumption Statements

Local Jurisdiction for Specified Low Level Offenders

Category	Local Costs			
	2011-12	2012-13	2013-14	2014-15
Jail Incarceration	109.7	293.2	399.3	400.2
Probation	22.2	63.1	87.8	88.0
Programs/Alternative Sanctions	14.4	41.0	57.1	57.2
Local Administration	14.6	39.7	54.4	54.5
Totals:	160.9	437.1	598.6	600.0
Local Low Level Offender ADP -- Short Term	4,225	12,025	16,727	16,770
Local Low Level Offender ADP -- Long Term	2,275	6,475	9,007	9,030

- Realigns offenders convicted of non-serious, non-violent, non-sex offenses, and without any previous convictions for such offenses, to local jurisdictions. The proposal assumes the exclusion certain crimes considered severe enough to warrant a state prison term and , provides increased resources for offenders that are sentenced for more than three years, and allows local jurisdictions to contract with the state for the full cost of housing any such offenders in a state facility.

- Assumes that local governments will handle this offender population in a different manner than CDCR by utilizing a hybrid of incarceration time, community supervision and treatment, and/or alternative custody and diversion programs during the offender's sentence length.

- Assumes a 24-month average length of stay at the local level for short-term low level offenders, including parole.

- Assumes incarceration costs of \$25,000 per short-term low-level offender for 6 months.

- Assumes incarceration costs of \$25,000 per long-term low-level offender ADP for 20 Months.

- Assumes community supervision of \$3,500 per short-term low level offender for 18 months. This funding level is equivalent to the cost to supervise and monitor a parolee at the state level.

- Assumes treatment and/or programming costs of \$2,275 per short-term low level offender.

- Assumes local administrative overhead costs at 10 percent of total incarceration/community supervision/program costs.

Non-serious, Non-violent Crimes Excluded from Realignment

Crime Exclusion List	Code Section	
Administering stupefying drugs to assist in commission of a felony	PC	222
Battery against a juror	PC	243.7
Gassing of a peace officer or local detention facility employee	PC	243.9
Felony child abuse likely to produce great bodily injury or death	PC	273a
Assault resulting in death of a child under age 8	PC	273ab
Felony domestic violence	PC	273.5
Poisoning or adulterating food, drink, medicine, pharmaceutical product, spring, well, reservoir, or public water supply	PC	347
Felony physical abuse of an elder or dependent adult	PC	368b
Brandishing firearm or deadly weapon to avoid arrest	PC	417.8
Unlawfully causing a fire that causes an inhabited structure or inhabited property to burn	PC	452
Felony stalking	PC	646.9
Solicitation for murder	PC	653f(b)
Possession of a firearm by a prohibited person	PC	12021/12021.1
Possession of an explosive or destructive device	PC	12303.2
Escape	PC	4532
Possession of a controlled substance while armed with a firearm	HS	11370.1
Evading a peace officer by driving in a willful or wanton disregard for safety of persons or property	VC	2800.2
Evading a peace officer causing death or serious bodily injury	VC	2800.3
Hit and run driving causing death or injury	VC	20001
Felony driving under the influence causing injury	VC	23153
Felony convictions with a Penal Code Section 186.11 enhancement	PC	186.11
Felony offenses involving violations of the public trust or public corruption.	PC/GC	Various
Assault on a Peace Officer	PC	245(d)
Persuading, Luring, or Transporting a Minor Under 13	PC	272(b)
Employment of Minor to Sell Controlled Substance	HS	11353
Employment of Minor to Sell Controlled Substance	HS	11354
Use of Minor to Transport/Possess/Possess for Sale	HS	11380(a)
Employment of Minor to Sell Marijuana	HS	11361(a)(b)
Brandishing Firearm in Presence of Peace Officer	PC	417(c)
Brandishing Firearm or Deadly Weapon to Resist Arrest	PC	417.8
Human Trafficking	PC	236.1